



# HOUSE BUDGET COMMITTEE

## Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ [www.house.gov/budget\\_democrats](http://www.house.gov/budget_democrats)

January 6, 2003

### House Democratic Stimulus Plan is Fiscally Responsible

The House Democratic economic stimulus plan provides short-term stimulus and long-term balance.

- ***True Stimulus*** — The Democratic plan represents true stimulus: up-front help for the sagging economy now, not long-term costly tax breaks that do little to stimulate the economy but do lasting damage to the deficit.
- ***2003 Cost: \$136 Billion*** — For 2003, the Democratic stimulus plan costs \$136 billion: slightly more than one percent of GDP.
- ***Cost Falls Over Time*** — The cost of the Democratic plan declines over time. The cost from 2003 to 2013 is \$100 billion, lower than the cost in 2003 alone, which allows the bottom line of the budget to get better as the economy recovers.
- ***Republicans' Dismal Record*** — Under Republican leadership, the long-term budget picture has plummeted from record surpluses to soaring deficits.
  - ▶ In less than two years, Republican budget policies have wiped out virtually the entire \$5.6 trillion surplus – the biggest fiscal reversal in American history.
  - ▶ Because the budget remains in deficit for as far as the eye can see, the nation's debt vastly increases. By the end of 2012, the national debt approaches \$4.8 trillion, and is \$7.0 trillion worse at the end of 2011 than the Administration projected in May 2001.